



# FUTURE OF VILVI GROUP – IN OUR HANDS

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Director General of AB Vilkyškių pieninė



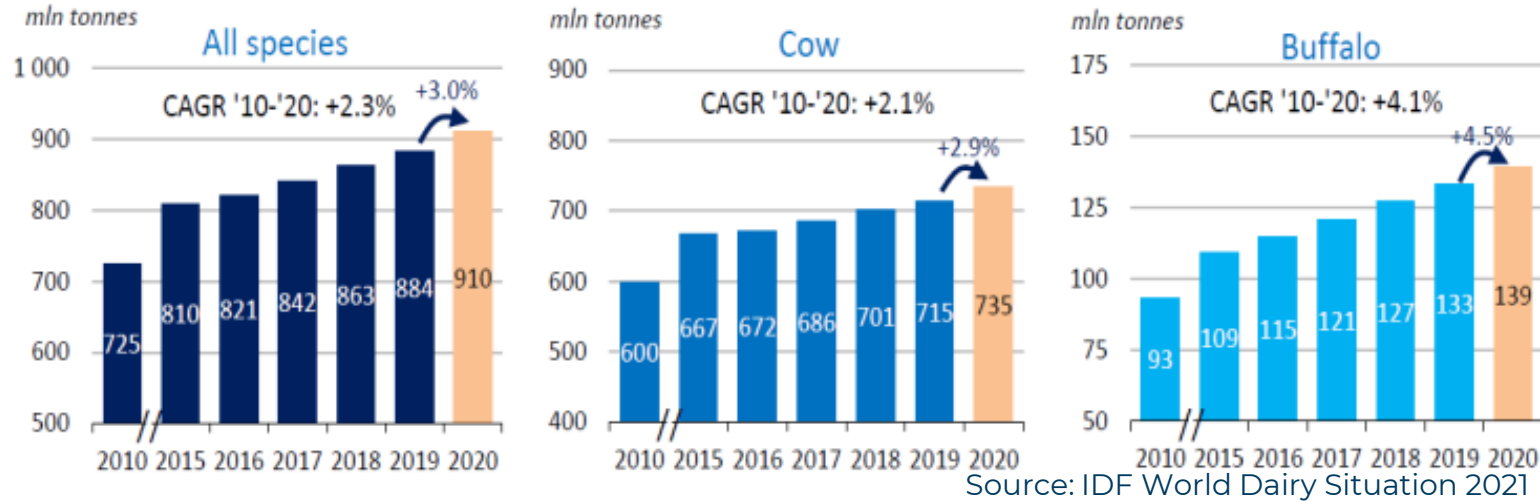
2022-06-09

# REVIEW OF DAIRY SECTOR

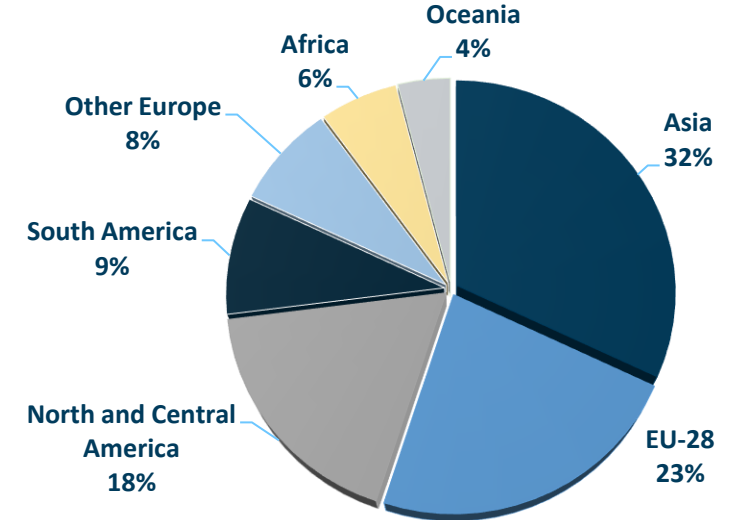


# Supply of Milk is Growing in the World

Production of raw milk since 2010



Cow's milk production in the world 2020



Cow's milk production growth rate was **2.9%** in 2019-2020

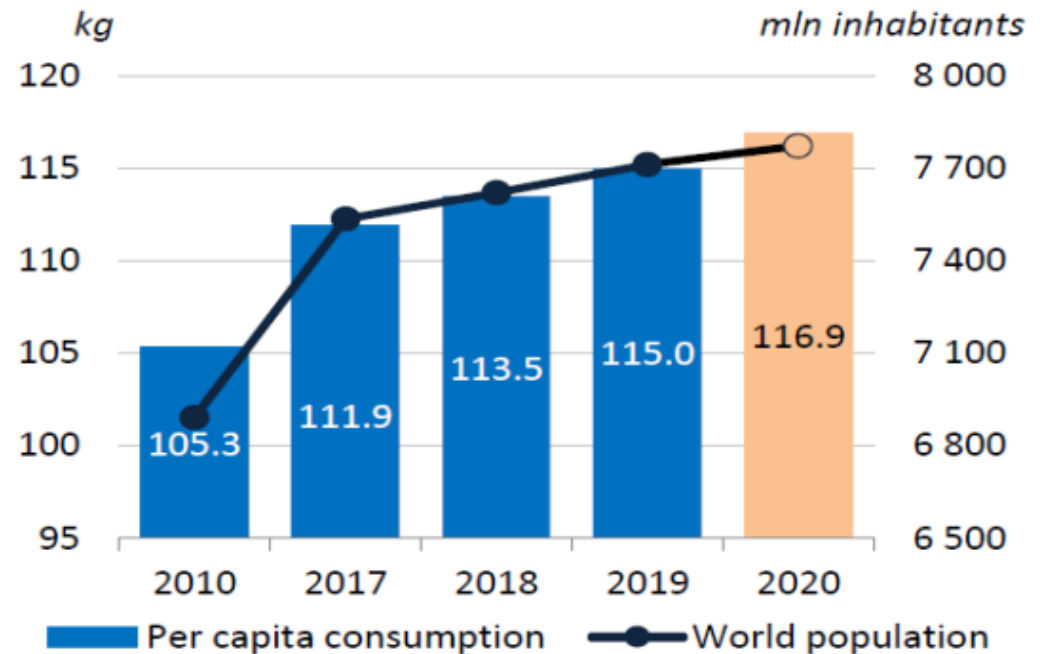
Cow's milk production is **81.0%** of total world milk production

Countries with competitive dairy sector on regional level and worldwide will have opportunity to develop

# Demand for Dairy Products will Continue to Grow

According to forecasts till 2029 by OECD<sup>1</sup> and FAO<sup>1</sup> demand for dairy products will continue to grow and total planet's population will reach 9.9 bln. in 2050.

Consumption of milk per capita and population size



<sup>1</sup>OECD – The Organisation for Economic Co-operation and Development;

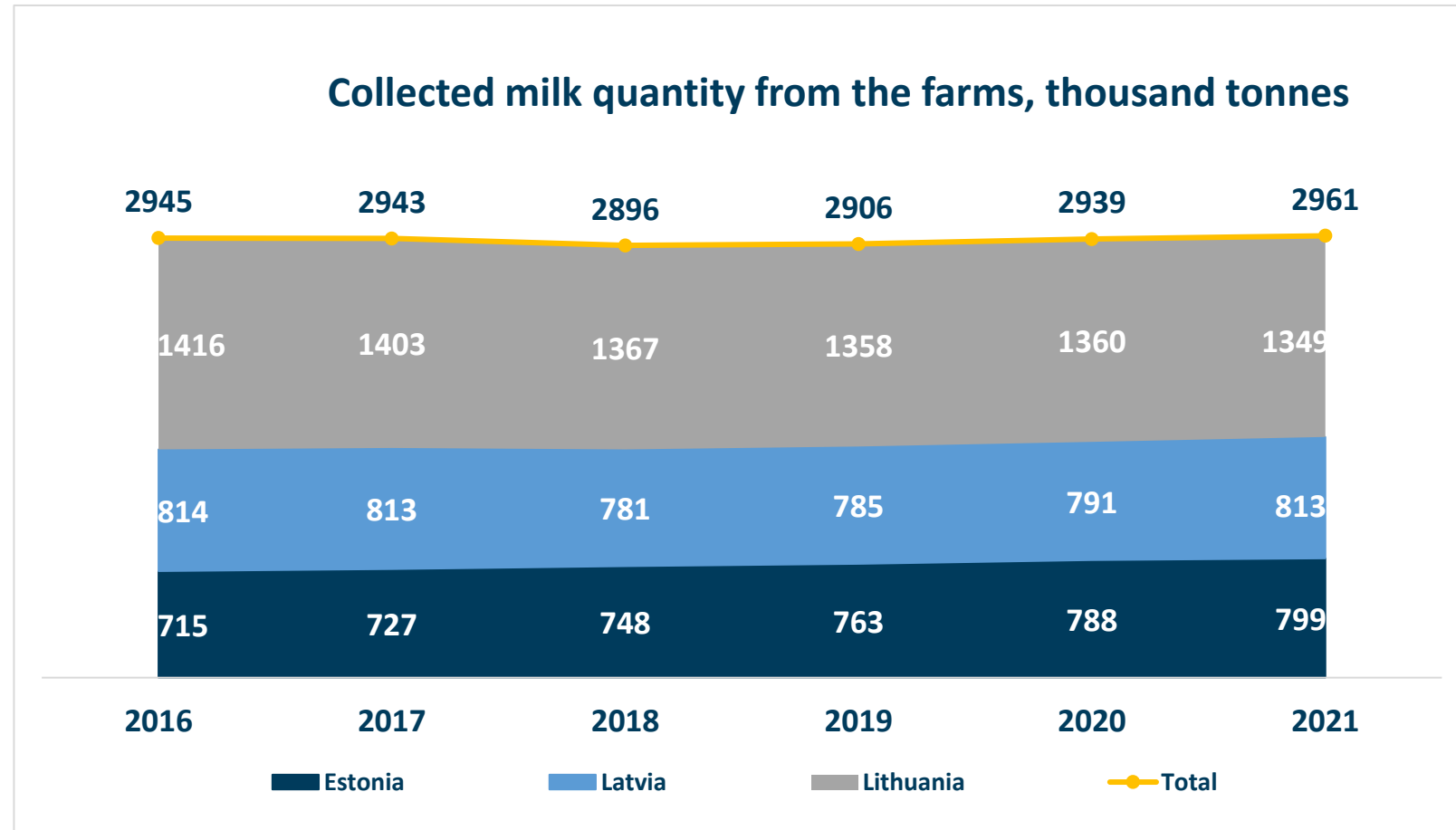
<sup>1</sup>FAO – The Food and Agriculture Organization of the United Nations

# World Dairy Market...

- Covid-19 rules and restrictions showed that global dairy market value chain is strong and complex.
- **Production of raw cow's milk grew by 2.9% in 2020.**
- **EU-28 is the biggest exporter of dairy products in the world.** New Zealand is the second and U.S.A is the third.
- International dairy trade market remains highly concentrated – five largest countries/regions supply 79 % of the market, and regions with the most growing consumption are Southeast Asia, Africa and Middle East.

# Dairy Sector in the Baltics has the Potential to Develop

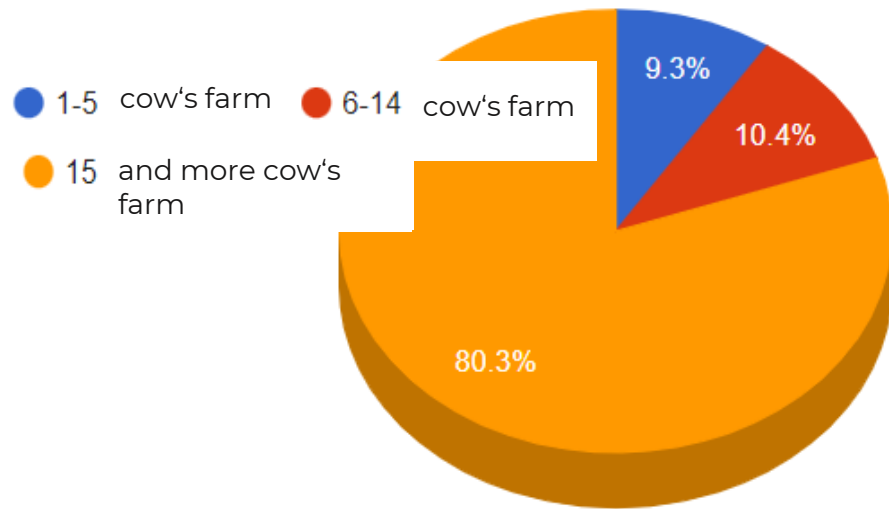
- In the Baltics collection of raw milk grew by almost 1% in 2020-2021.
- In Lithuania there are more milk processed in dairy manufacturing than produced in local farms. In Estonia and Latvia situation is the opposite.
- Lithuanian dairy sector holds leading position in the Baltics in terms of the quantity of produced, collected and processed milk.



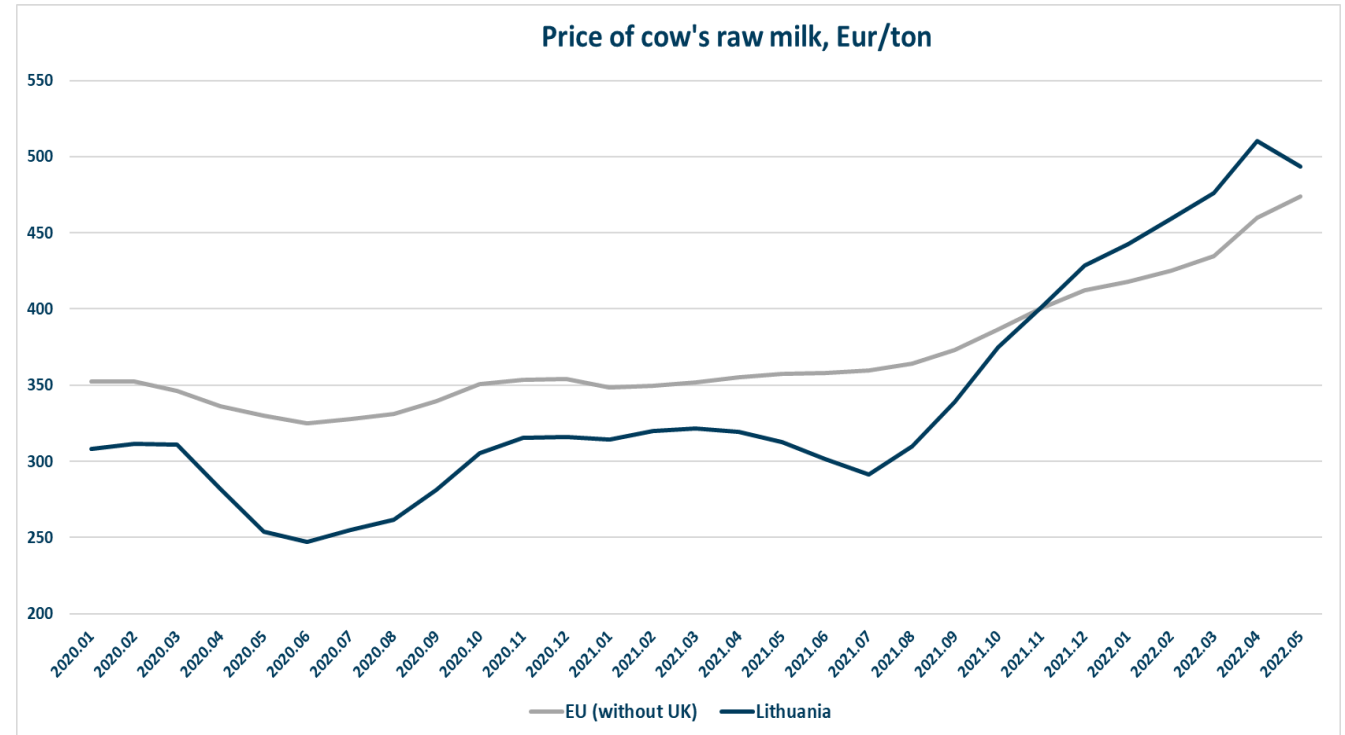
Source : Eurostat

# Trends and Forecasts of Lithuanian Dairy Sector

Quantity of milk sold in 1-10 months 2021 by farm size

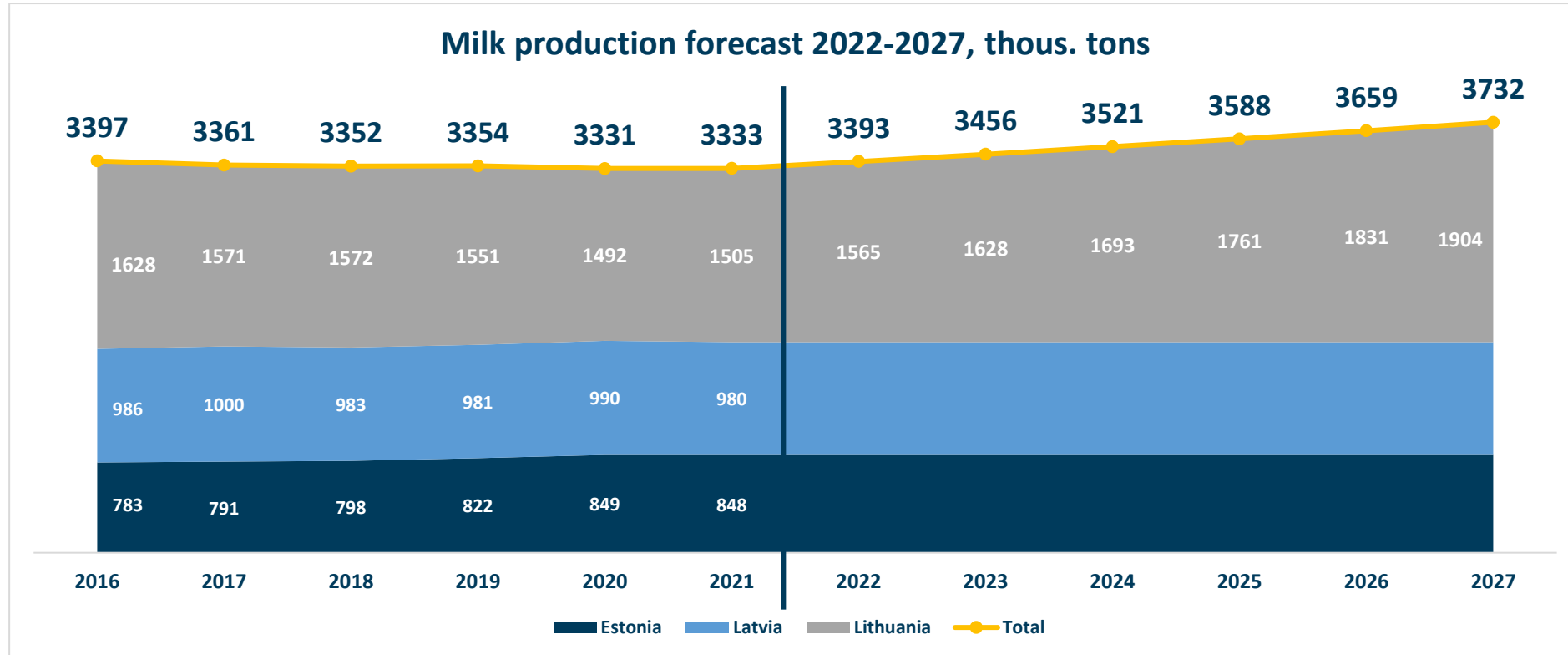


- In Lithuania major problem in the production chain is domination of small farms (5-6 cows per farm).
- Though slowly milk producing farms are structurally changing and getting larger by size.



**Most likely in 2022-2027 about 19.7% of small farms will drop out**

# Probable Growth of Milk Production in Lithuania



- In 2022 -2027 planned EU financial support will be EUR 160 mln. Adding private funds total investment to milk farms probably amount to EUR 500 mln. That consequently will lead to growth in raw milk production in Lithuania.

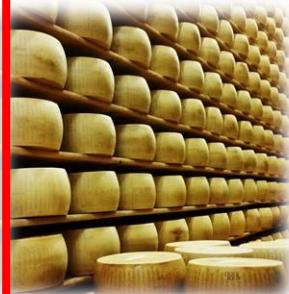


# Value Chain in the Dairy Sector

**PRODUCTION**

**PROCESSING**

**CONSUMPTION**



**INTERNAL MARKET**

**EXPORT**

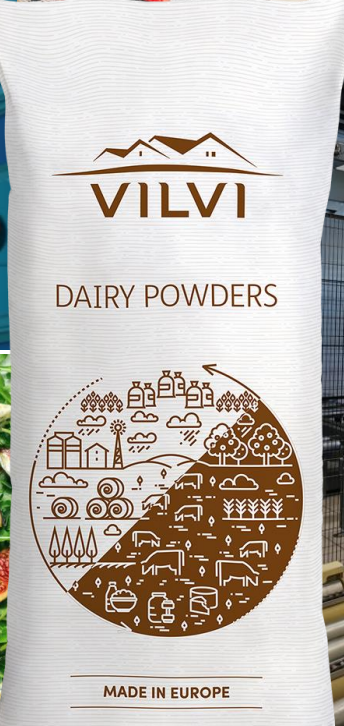




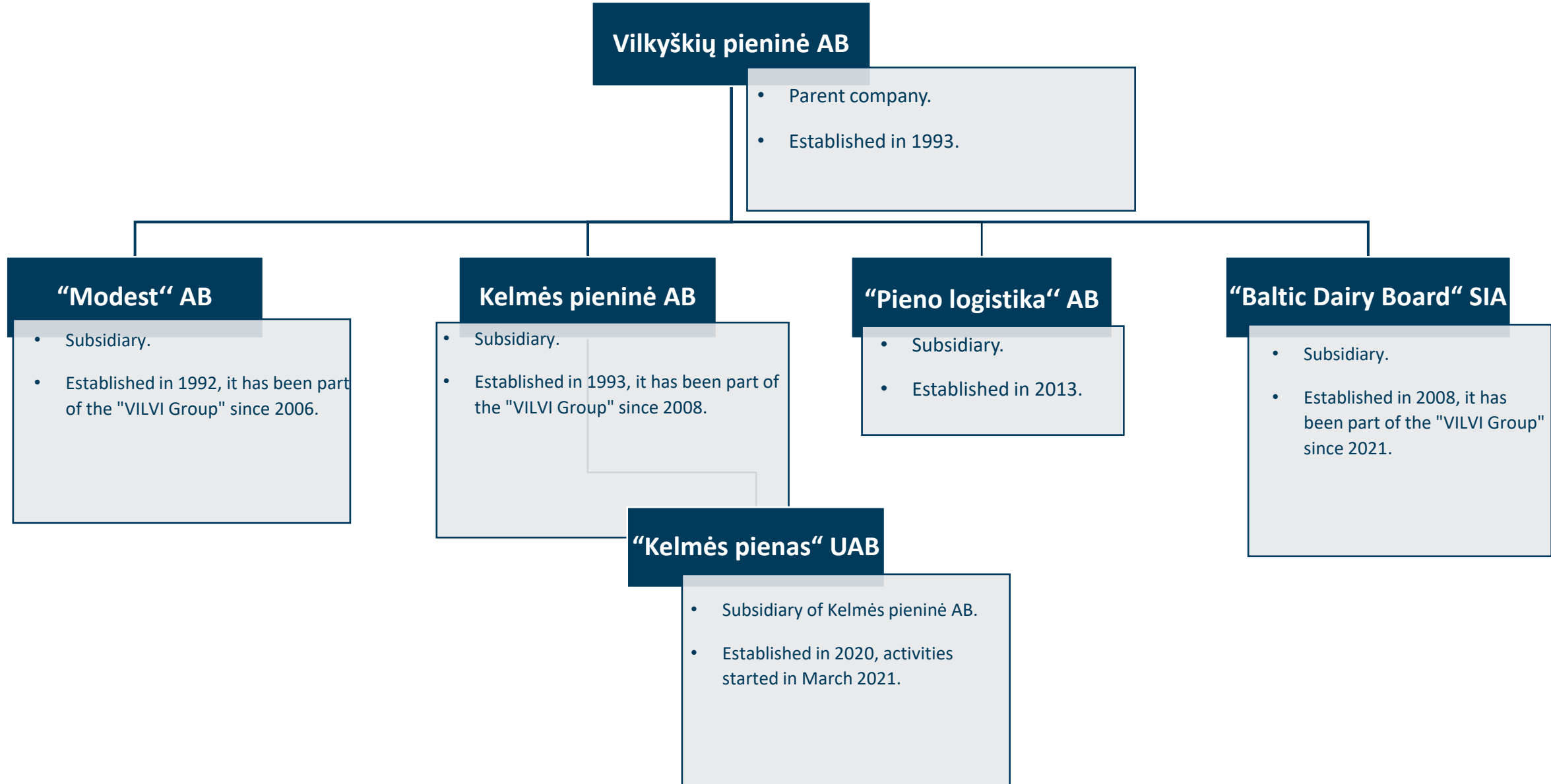
# Vilvi group

## Who are we?

## What are we like?



# Structure of Vilvi Group



# The Main Activity of Vilvi Group



From 2021  
**SIA Baltic Dairy Board** joins  
Vilvi group



## Processing of organic milk

### Organic cream

### Organic skim milk

- Organic milk protein concentrate
- Organic dairy permeate concentrate

### GOS production

GOS 70

GOS 30

(GOS-Galacto-oligosaccharides)

### Decomposition of whey concentrate

Whey Protein Concentrate

Permeate Concentrate

## Vilvi group:

- 865 employees;
- About 800 tons of milk are currently processed per day



# Production of Vilvi Group, tons

	2017	2018	2019	2020	2021
<b>Cheese and cheese products</b>	18,372	18,607	19,964	22,114	22,915
<b>Cream</b>	16,046	15,689	16,131	17,073	21,055
<b>Fresh milk products</b>	14,576	15,120	12,277	12,696	12,802
<b>Dry milk products</b>	2,966	8,321	15,310	19,006	21,352
<b>Total:</b>	<b>51,960</b>	<b>57,737</b>	<b>63,682</b>	<b>70,889</b>	<b>78,124</b>
<b>Total raw liquid per year:</b>					<b>459.782</b>

**We transport raw liquid per year**



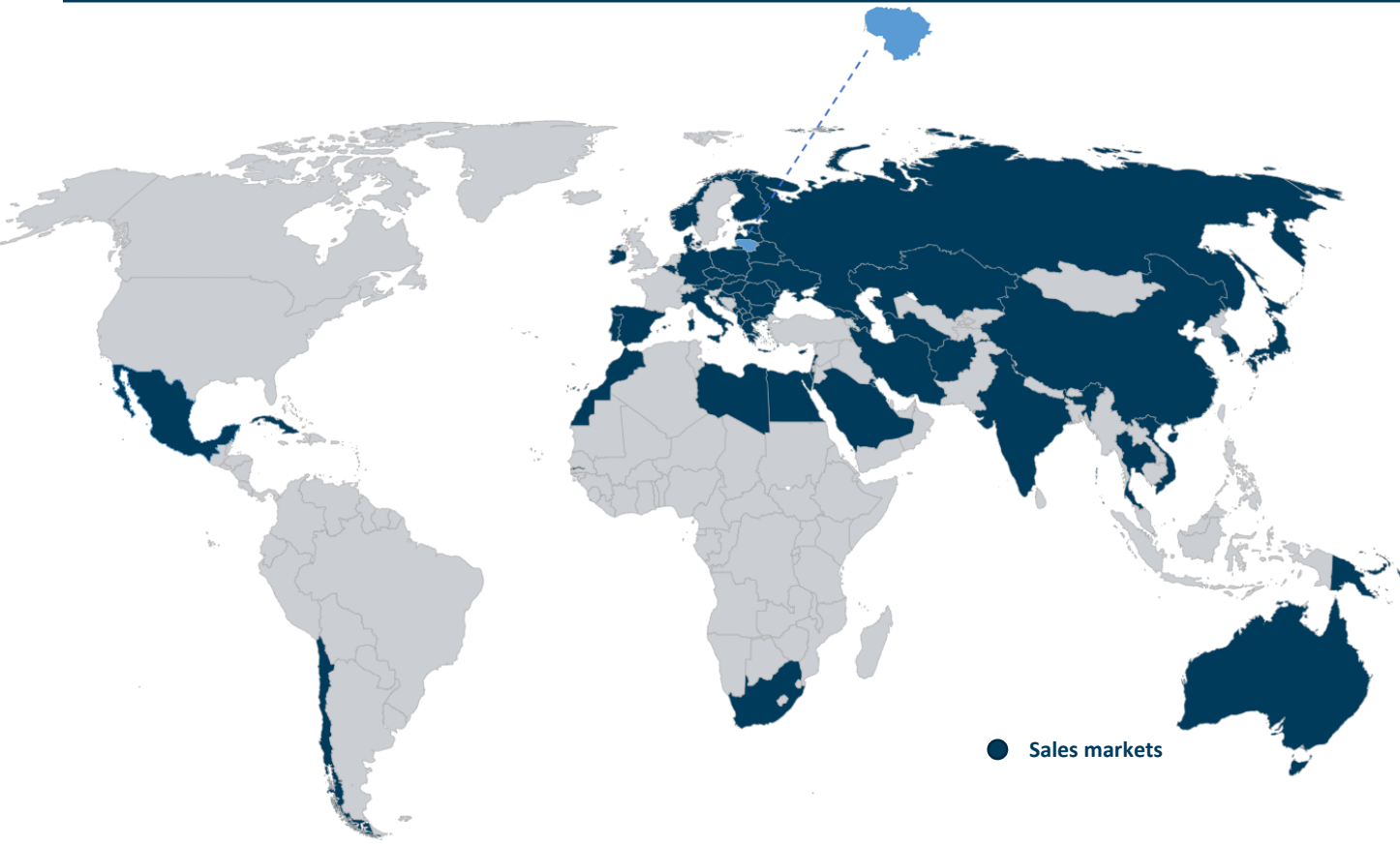
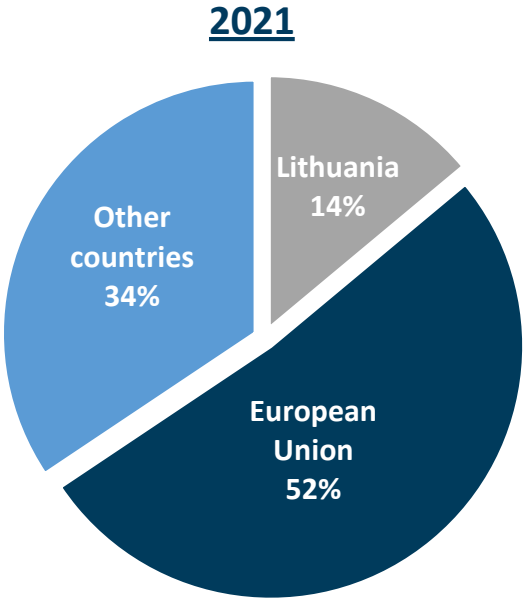
**We export the products per year**



# Structure of Sales Revenue

(Thousand EUR)	2020		2021	
Cheese, cheese products and other	57,841	48%	65,731	42%
Dry milk products	20,487	17%	28,136	18%
Fresh milk products	16,252	13%	18,710	12%
Cream	26,293	22%	43,468	28%
<b>Total:</b>	<b>120,873</b>		<b>156,045</b>	

**+29%**



**VILVI GROUP**  
sales to **65**  
countries!

# Vilvi Group Main Financial Indicators

	2017	2018	2019	2020	2021
<b>Revenue (Thousands EUR)</b>	113,939	103,162	114,581	120,873	156,045
<b>Net profit (Thousands EUR)</b>	6,686	-1,186	-446	3,872	5,500
<b>Net profit margin (%)</b>	5.9	-1.1	-0.4	3.2	3.5
<b>EBITDA (Thousands EUR)</b>	10,882	3,140	3,698	8,271	14,122
<b>EBITDA margin (%)</b>	9.5	3.0	3.2	6.8	9.0

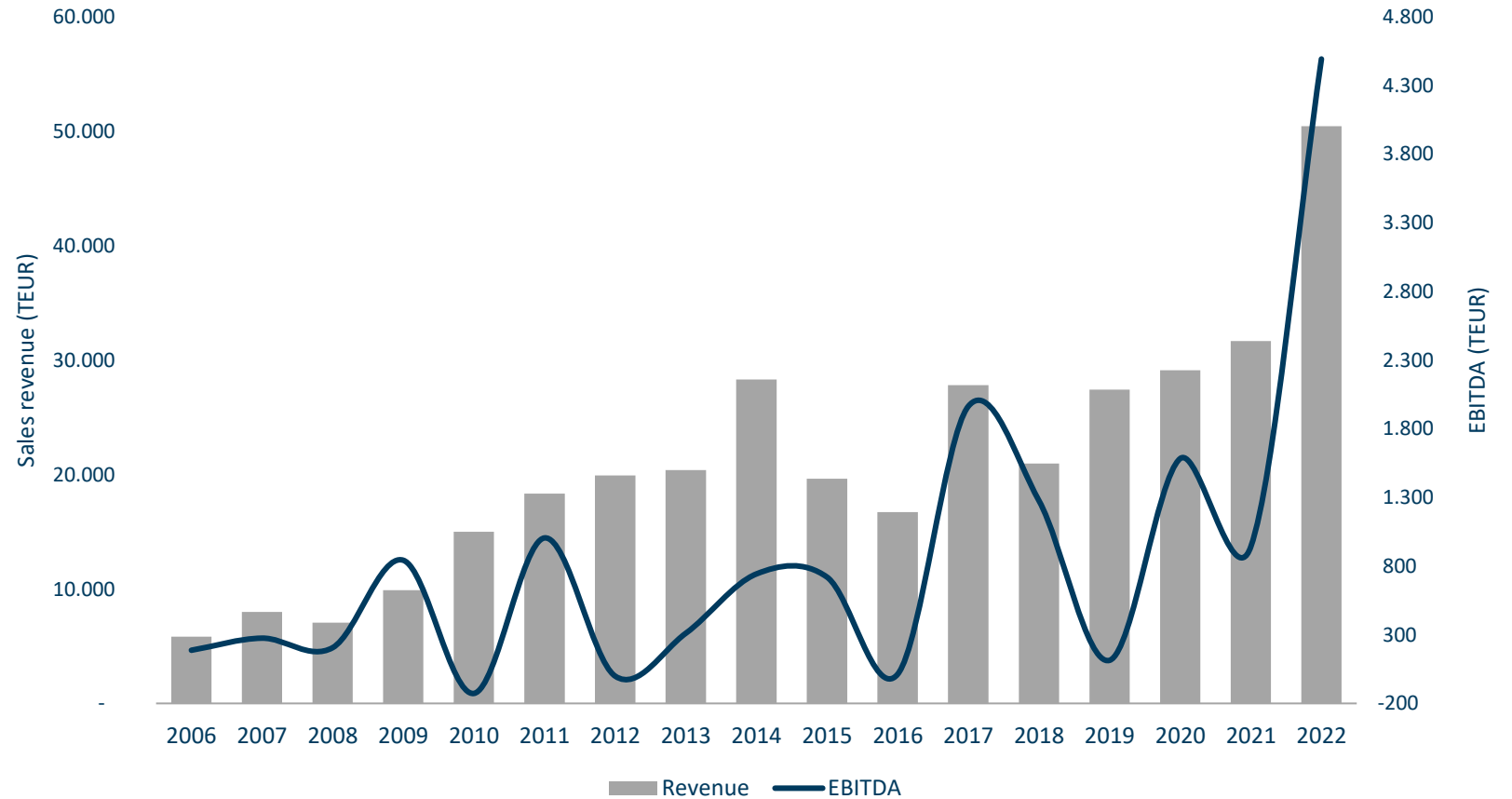




# Vilvi Group Achieve the best Result Historically

Vilvi Group **determination, success, consistent** and systematic move towards the set goal has allowed Q1 2022 achieve the best result historically!

Q1 2006-2022 SALES REVENUE AND EBITDA, THOUSANDS EUR



# Future of Vilvi Group - in the Lithuanian context

## NAUJOS KARTOS LIETUVA

**PLANAS**  
2021-2026 m.

Viešojo sektoriaus pertvarka



Žalioji pertvarka



Inovacijos ir mokslas



Skaitmenizacija



Socialinė apsauga



Švietimas

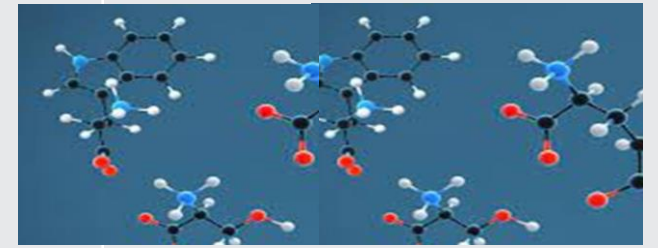
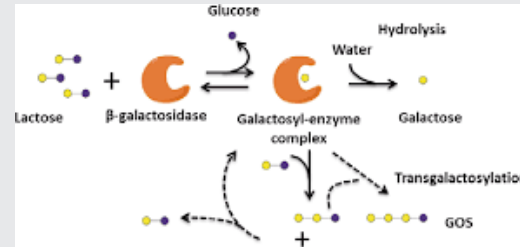


Sveikata



## NEW GENERATION VILVI GROUP

### "Deep" milk processing



### Effectiveness



### Green transformation



**Future of Vilvi Group - in our hands!**

**Thank you  
for your  
attention!**



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